

CITY OF SEATTLE
ORDINANCE _____

COUNCIL BILL 118169

AN ORDINANCE relating to Seattle Public Utilities; declaring the real property at 5560 South Holly Street surplus to the City's needs and authorizing the Director of Seattle Public Utilities to sell the property through an open competitive process.

WHEREAS, Seattle Public Utilities purchased 5560 South Holly Street pursuant to Ordinance 123882 as a site for an underground storage tank; and

WHEREAS, the need for an underground storage tank at 5560 South Holly Street was eliminated by subsequent analysis; and

WHEREAS, the City by Resolution 30862 adopted amended procedures for evaluating the reuse and disposal of the City's real property (Procedures) and established a uniform evaluation process for the reuse or disposal of real property the City owns in fee simple; and

WHEREAS, the parcel at 5560 South Holly Street is excess to Seattle Public Utilities' needs; and

WHEREAS, no other City department or other governmental agency proposed a public use for this property; and

WHEREAS, the Department of Finance and Administrative Services recommends in its Final Report and Recommendation that the property be offered for sale through an open competitive process, and the Real Estate Oversight Committee concurs with that recommendation; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Pursuant to provisions of RCW 35.94.040 and after a public hearing, the real property in King County, Washington, known as 5560 South Holly Street legally described in Attachment 1 attached hereto is hereby found and declared to be surplus to the City's needs and no longer required for providing public utility service.

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2 Section 2. As requested by the Director of Seattle Public Utilities and recommended by
3 the Department of Finance and Administrative Services in the 2014 Final Preliminary
4 Recommendation Report On Reuse and Disposal of the Seattle Public Utilities House at
5 5560 South Holly Street, said Director is authorized to offer said surplus property described in
6 Attachment 1 for sale by open competitive process and to accept the best offer for the purchase
7 of said property; and to execute, deliver and record, for and on behalf of the City of Seattle,
8 Seattle Public Utilities, all agreements and documents necessary for such conveyance to the
9 purchaser. In August 2011, an independent appraisal of the property found the fair market value
10 to be Four Hundred and Five Thousand Dollars (\$405,000).
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Section 3. Proceeds from the sale authorized herein shall be deposited into Seattle Public Utilities' Drainage and Wastewater Fund – 44010.

Section 4. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the ____ day of _____, 2014, and signed by me in open session in authentication of its passage this ____ day of _____, 2014.

President _____ of the City Council

Approved by me this ____ day of _____, 2014.

Edward B. Murray, Mayor

Filed by me this ____ day of _____, 2014.

Monica Martinez Simmons, City Clerk

(Seal)

Attachment 1: Legal Description of Property

Debbie Harris
SPU 5560 S Holly ORD ATT 1
June 26, 2014
Version #1

Attachment 1

Legal Description of Property

The east 92 feet of the south 70 feet of Lot 5, Block 13, Brighton Beach Addition, according to the plat thereof recorded in Volume 6 of Plats, Page, 98, in King County, Washington.

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Seattle Public Utilities	Debbie Harris/ 3-9050	Aaron Blumenthal/ 3-2656

Legislation Title:

AN ORDINANCE relating to Seattle Public Utilities; declaring the real property at 5560 South Holly Street surplus to the City's needs and authorizing the Director of Seattle Public Utilities to sell the property through an open competitive process.

Summary of the Legislation:

The ordinance would authorize the Director of Seattle Public Utilities to sell surplus residential property at 5560 South Holly Street in the Martha Washington Park Neighborhood.

Background:

The Council in 2012 approved Ordinance 123882, which authorized SPU to purchase property at 5560 South Holly Street for an underground 200,000-gallon storage tank to reduce combined sewer overflows.

SPU's Combined Sewer Overflow (CSO) Program seeks to meet state and federal requirements to reduce the size and number of sewer overflows into receiving water bodies. SPU anticipated building the underground storage tank to reduce CSO events into Lake Washington and bring CSO Basin 45 into compliance with state and federal permit requirements.

Subsequent analysis determined CSO control could be achieved by simplifying the project from a 200,000 gallon storage tank to a smaller, 16,000 gallon storage pipe and by making other system modifications. This eliminated the need for the storage facility at 5560 South Holly Street. SPU completed the Final Environmental Impact Statement Addendum process in October 2013 that documents the environmental analysis associated with this change.

The property at 5560 South Holly Street is now excess to SPU's needs. SPU and the Department of Finance and Administrative Services recommend the property be sold through an open competitive process. The Real Estate Oversight Committee concurs with the recommendation.

Please check one of the following:

☐ This legislation does not have any financial implications.

☒ This legislation has financial implications.

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Department	Revenue Source	2014 Revenue	2015 Revenue
DWF 44010	SPU	Property Sale	\$430k to \$480K	\$0
TOTAL				

Revenue/Reimbursement Notes:

SPU purchased the property in late 2012 for \$445,000 with funds coming from the Drainage and Wastewater Fund for the Henderson North CSO reduction project. Its current assessed value is \$445,000. The revenue from the sale of the property will be returned to the same fund.

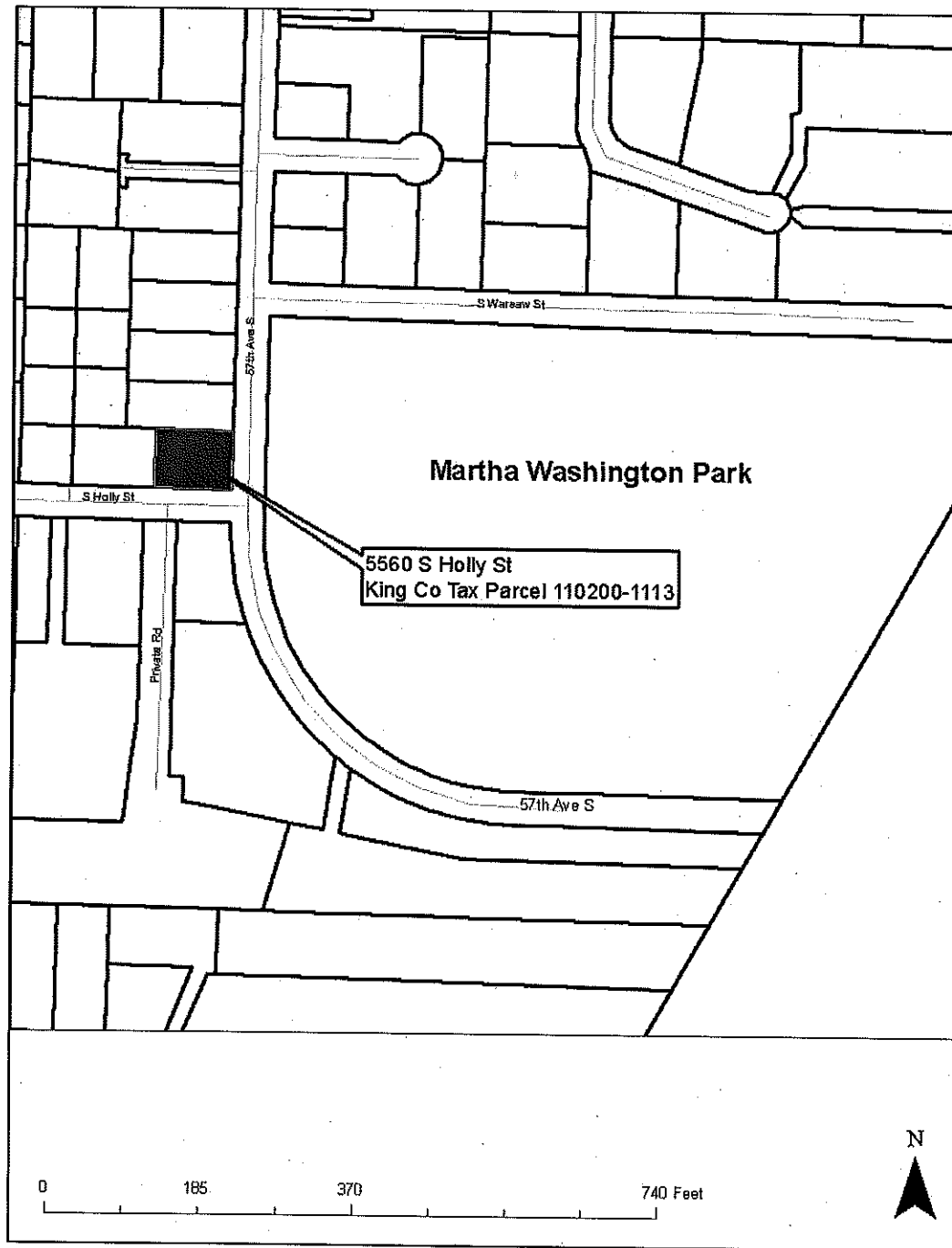
Other Implications:

- a) **Does the legislation have indirect financial implications, or long-term implications?**
There are no indirect financial implications or long-term implications.
- b) **What is the financial cost of not implementing the legislation?**
Retaining the property would require on-going maintenance (mainly yard maintenance) and upkeep costs as long as the City holds the property and it is left vacant. There is also the potential for vandalism and other nuisance activities to occur at the property because it is a vacant house.
- c) **Does this legislation affect any departments besides the originating department?**
No.
- d) **What are the possible alternatives to the legislation that could achieve the same or similar objectives?**
There are no alternatives that could achieve similar objectives.
- e) **Is a public hearing required for this legislation?**
Yes. A public hearing will be held in conjunction with the Council Committee meeting.
- f) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**
No
- g) **Does this legislation affect a piece of property?**
Yes.
- h) **Other Issues:**

List attachments to the fiscal note below:

Exhibit A: Map

Exhibit A
Map



This map is intended for illustrative or informational purposes only and is not intended to modify anything in the legislation



City of Seattle
Edward B. Murray
Mayor

July 22, 2014

Honorable Tim Burgess
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Burgess:

I am pleased to transmit the attached proposed Council Bill that would declare a residential property in the Martha Washington Park Neighborhood surplus to the City's needs and authorize its sale by Seattle Public Utilities.

The Seward Park Combined Sewer Overflow Reduction Project has components within Seward Park and in the 57th Avenue South right-of-way next to Martha Washington Park. In the early stages of design, the project assumed storage volumes that could not be accommodated within the right-of-way. The two locations SPU looked at for storage tanks were Martha Washington Park and on private property. A willing private seller came forward with a property for use by the project and SPU purchased the parcel. As the design progressed, value engineering identified \$10 million in savings by reducing the storage required near Martha Washington Park and increasing it at Seward Park. This modification permitted the project's storage needs to be met entirely within the City's right-of-way. As the cost savings was confirmed the project team decided the property was no longer required by the project and could be surplus.

Approving this legislation will help SPU realize cost savings that will benefit its ratepayers. If you have questions, please contact Debbie Harris, Capital Program Manager, at 733-9050.

Sincerely,

Edward B. Murray
Mayor of Seattle

cc: Honorable Members of the Seattle City Council